

Message Text

PAGE 01 STATE 292162
ORIGIN EB-08

INFO OCT-01 EUR-12 EA-10 ISO-00 DODE-00 NSAE-00
USIA-06 TRSE-00 ERDA-05 CIAE-00 COME-00 PM-05
H-01 INR-07 L-03 NSC-05 PA-01 PRS-01 SP-02 SS-15
/082 R

DRAFTED BY EB/ITP/EWT/WAROOT:TLW
APPROVED BY EB/ITP/WBARRACLOUGH
-----094810 081341Z /44

R 072149Z DEC 77
FM SECSTATE WASHDC
TO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY TOKYO
INFO AMEMBASSY OSLO

C O N F I D E N T I A L STATE 292162

USOECDE/EXCON

E.O. 11652: GDS

TAGS: ESTC, COCOM

SUBJECT: BELGIAN PROPOSAL FOR COCOM OBSOLESCENCE CRITERION

REF: STATE 278862

1. DEPARTMENT CALLED IN REPRESENTATIVES FROM EMBASSIES
OF ITALY, UK, JAPAN, FRANCE, BELGIUM, NETHERLANDS,
GERMANY, AND CANADA TO DISCUSS SUBJECT PROPOSAL, WHICH
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PAGE 02 STATE 292162

COCOM IS SCHEDULED TO CONSIDER DECEMBER 13. THE SUBSTANCE
OF THE DEPARTMENT'S PRESENTATION WAS CONTAINED IN A PAPER
GIVEN TO EACH AS FOLLOWS:

SUBJECT: BELGIAN PROPOSAL CONCERNING THE PROCEDURE FOR
EXCLUSION FROM THE EMBARGO OF SPECIFIC MATERIALS AND
EQUIPMENT MEETING THE CONDITIONS OF OBSOLESCENCE - COCOM
DOC. PROC. (77) 2.7

-- THE SUBJECT DOCUMENT PROPOSES THAT COCOM DECISIONS BE

MADE ON A MAJORITY (OR WEIGHTED-MAJORITY) BASIS ON PROPOSALS TO RETAIN UNDER EMBARGO SPECIFIC MATERIALS AND EQUIPMENT WHICH MEMBER COUNTRIES WISH TO RELEASE, AS HAVING BEEN AVAILABLE ON THE MARKET IN A WESTERN COUNTRY FOR A PERIOD OF FIVE YEARS AND NO LONGER OF ANY STRATEGIC INTEREST. THIS PROPOSAL IS ON THE AGENDA FOR A SPECIAL

SESSION OF COCOM TO BE HELD ON DECEMBER 13.

-- THE U.S. BELIEVES THAT THERE ARE SERIOUS IMPLICATIONS FOR COCOM'S SURVIVAL AS A VIABLE ORGANIZATION IF THE RULE OF UNANIMITY IS ABANDONED. IT IS OUR ASSESSMENT THAT ONCE A DEPARTURE FROM THAT PROCEDURE IS ADOPTED IT WOULD NOT BE POSSIBLE TO CONTAIN IT TO THE LIMITED NUMBER OF CASES SUGGESTED BY THE BELGIAN PROPOSAL.

-- NEVERTHELESS WE RECOGNIZE THE DISSATISFACTION WITH THE CURRENT OPERATION OF COCOM WHICH WE BELIEVE MOTIVATES THE BELGIAN PROPOSAL. WE REALIZE THE NEED FOR MORE PROMPT DECISIONS AND CONVINCING JUSTIFICATIONS ON PROPOSALS FOR EXCEPTIONS AND RELAXATION OF THE EMBARGO. WE ARE MAKING AND WILL CONTINUE TO MAKE EVERY EFFORT TO IMPROVE U.S. PERFORMANCE IN COCOM IN THIS REGARD.
CONFIDENTIAL

PAGE 03 STATE 292162

-- WE DO NOT BELIEVE THAT THIS OBJECTIVE IS FURTHERED BY FORCING A CONFRONTATION OVER THE PRINCIPLE OF UNANIMITY. DECONTROL BY MAJORITY VOTING WOULD GREATLY COMPLICATE THE TASK OF ACHIEVING COORDINATION OF EXPORT CONTROLS WHICH IS COCOM'S PRIMARY PURPOSE.

-- THE U.S. HAS PROPOSED THAT EVERY ITEM ON THE COCOM LIST BE REVIEWED AT LEAST EVERY SIX YEARS. BY THE TERMS OF THE SO-CALLED VALIDITY NOTES THERE ARE MANY ITEMS FOR WHICH THE PERIOD THEY ARE CONTROLLED IS SET FOR A PERIOD OF YEARS.

-- WE ARE PREPARED IN PREPARATION FOR THE NEXT LIST REVIEW TO CONSIDER PROCEDURES FOR EXAMINING SPECIFIC MATERIALS AND EQUIPMENT WHICH OTHER COCOM PARTICIPANTS WISH TO HAVE CONSIDERED FOR DECONTROL OR RELAXATION DURING THE LIST REVIEW.

WE BELIEVE THAT A REASONABLE COMPROMISE CAN BE WORKED OUT DURING THE LIST REVIEW, WHICH WE HAVE PROPOSED COMMENCE OCTOBER 2, 1978. BELGIUM, HOWEVER, HAS TAKEN THE POSITION THAT ITS PROPOSAL MUST BE RESOLVED BEFORE A DATE FOR THE LIST REVIEW IS SET.

THE UNITED STATES REQUESTS THAT OTHER COCOM MEMBER GOVERNMENTS GIVE SERIOUS CONSIDERATION TO AVOIDING A CONFRONTATION ON THE BELGIAN PROPOSAL BY GIVING A

PRIORITY INSTEAD TO WORKING OUT A COMPROMISE IN THE
CONTEXT OF A LIST REVIEW TO BEGIN IN OCTOBER 1978.

2. ITALIAN RESPONSE (SERAFINI): VERY RESTRICTIVE U.S.
ATTITUDE HAS OCCASIONED DIFFICULTIES FOR "MANY MANY

CASES." THE SITUATION OF THE ITALIAN ECONOMY REQUIRED
EXPORTS. ECONOMIC CONDITIONS MUST PREVAIL OVER SECURITY
CONFIDENTIAL

PAGE 04 STATE 292162

IN A FEW CASES. EASTERN COUNTRIES LOSE CONFIDENCE
BECAUSE OF LONG DELAYS. ITALY HAS BEEN PENALIZED BECAUSE
SOME CASES WOULD HAVE BEEN APPROVED IF THE APPLICATION
HAD COME FROM OTHER COUNTRIES. ROME CONSIDERS THE U.S.
ATTITUDE VERY UNSATISFACTORY. ON SEPTEMBER 22 ITALY
HAD WAIVED ITS OBJECTIONS TO A UK CASE IN WHICH THE U.S.
WAS INTERESTED BUT, IN SPITE OF THIS, THE U.S. CONTINUES
ITS RESERVE ON TWO ITALIAN CASES (MOS INTEGRATED CIRCUITS
TO ROMANIA AND TELECOMMUNICATIONS TO HUNGARY). IN THE
ABSENCE OF MAJORITY VOTING THEN THE U.S. CAN STICK TO ITS
POLICY OF CONSIDERING NON-OBSOLESCEMENT WHAT EVERYONE KNOWS
IS OBSOLESCEMENT. RESTRICTING MAJORITY VOTING TO DECON-
TROLLING OBSOLESCEMENT EQUIPMENT WOULD NOT THREATEN COCOM
VIABILITY. U.S. REPLY INCLUDED OBSERVATIONS THAT WE WERE
AWAITING EXPECTED REVISION OF ITALIAN MOS PROPOSAL AND
ITALIAN ANSWERS TO QUESTIONS ON TELECOMMUNICATIONS CASE.

3. BRITISH RESPONSE (GENT): UK SUPPORTS U.S. POSITION
THAT UNANIMITY RULE MUST BE PRESERVED. TO U.S. SUGGESTION
THAT IT WOULD BE IDEAL IF UK TOOK THE LEAD IN OPPOSING
BELGIAN PROPOSAL, UK SUGGESTED THIS IDEA BE DISCUSSED
WITH MELLON BILATERALLY DECEMBER 12. UK REPLIED AFFIRMA-
TIVELY TO REQUEST FOR PERMISSION TO CITE UK POSITION IN
DISCUSSIONS WITH OTHERS, PROVIDED WE ALSO MENTIONED UK
SUPPORT FOR CONCEPT OF OBSOLESCEMENT AND FOR GETTING ON
WITH THE LIST REVIEW.

4. JAPANESE RESPONSE (MATSUURA): JAPAN CANNOT JOIN U.S.
IN OPPOSING AND IS BASICALLY IN FAVOR OF BELGIAN PROPOSAL.
JAPAN SHARES CONCERN ABOUT MAJORITY VOTING FORMULA BUT
COCOM REGULATIONS MUST BE ADJUSTED TO CHANGING WORLD.
MANY THINGS MUST BE UPDATED, NOT ONLY THE LIST BUT ALSO
MECHANISMS. JAPAN IS NOT CONTENT WITH THE SPEED OF
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PAGE 05 STATE 292162

LIST REVIEW PROCEEDINGS NOR WITH COCOM HANDLING OF CON-
CRETE CASES. COCOM MUST BE REFORMED. THERE IS CRITICISM
OF COCOM IN JAPAN. THE FORMER PRIME MINISTER HAD TO
EXPLAIN TO THE DIET WHY HITACHI COULD NOT PROCEED WITH
THE SALE OF A COMPUTER TO THE PRC. MITI IS CRITICAL OF

COCOM. IT IS PERHAPS UNAVOIDABLE THAT MAJORITY VOTING BE INTRODUCED FOR SPECIAL CASES, ALTHOUGH NOT FOR ALL. JAPAN SUPPORTS BELGIUM PROVIDED OTHER MEMBERS DO. IF U.S. AND OTHERS OPPOSE, BELGIAN PROPOSAL WOULD NOT BE IMPLEMENTED. IF BELGIAN PROPOSAL FAILS, U.S. SHOULD CONSIDER UPDATING COCOM MECHANISMS. JAPAN FAVORS MAINTAINING COCOM; BUT FULL SUPPORT OF MEMBER COUNTRIES IS NECESSARY TO DO THIS. NOT

CLEAR WHY BELGIUM IS PUSHING SO HARD. BELGIAN PROPOSAL WAS BASED ORIGINALLY ON A BRITISH IDEA. A "THIRD WAY" PROPOSAL FROM THE U.S. WOULD BE APPRECIATED. IN ANSWER TO U.S. QUESTION HOW BELGIAN PROPOSAL WOULD HELP HITACHI CASE, MATSUURA SAID IT WOULD NOT HELP DIRECTLY - HE WAS JUST EXPLAINING THE BACKGROUND. DEPARTMENT NOTED THAT JAPAN GAINS FROM COCOM BY HAVING ACCESS TO U.S. TECHNOLOGY; WITHOUT COCOM U.S. WOULD HAVE TO RE-EVALUATE. IN ANSWER TO QUESTION WHETHER U.S. WOULD PRESENT A COUNTER-PROPOSAL, DEPARTMENT NOTED IT HAD ALREADY DONE SO AND WOULD WELCOME ANY FURTHER IDEAS ON HOW TO AVOID COUNTER-PRODUCTIVE CONFRONTATION DECEMBER 13. SEE SEPTTEL ON DISCUSSION RE JAPANESE TECHNOLOGY CONTROLS.

5. FRENCH RESPONSE (CHENU): NOT FAMILIAR WITH BELGIAN PROPOSAL. IT IS IN THE INTEREST OF COCOM NOT TO MOVE AWAY FROM CONSENSUS. IN REPLY TO CHENU'S QUESTION, DEPARTMENT SAID UK WILL NOT SUPPORT MAJORITY VOTING BUT IT WAS UNCLEAR HOW OTHERS REALLY FELT. DEPARTMENT ASKED CHENU TO CONVEY TO PARIS U.S. HOPE THAT FRANCE WOULD AGREE TO THE BRITISH COMPROMISE ON THE 45 DAY PROCEDURE FOR REVIEWING PROPOSALS TO DECONTROL SPECIFIC ITEMS OF CONFIDENTIAL

PAGE 06 STATE 292162

EQUIPMENT PURSUANT TO EXISTING NOTES (ALL OTHERS HAVE AGREED).

6. BELGIAN RESPONSE (MASSA): CONTENT OF HIS LAST DISCUSSION WITH DEPARTMENT WAS NOW FULLY UNDERSTOOD IN BRUSSELS. GERMANY, FRANCE, NORWAY, NETHERLANDS, AND ITALY ARE BELIEVED BY BELGIUM TO BE READY TO ACCEPT BELGIAN PROPOSAL. COLLEAGUES IN ANOTHER EMBASSY IN WASHINGTON TOLD HIM U.S. WOULD NOT BE PREPARED TO DISCUSS ANYTHING DECEMBER 13. DEPARTMENT REPLIED THAT WAS ERRONEOUS. BUT U.S. SAW NO POINT IN FORCING CONFRONTATION ON MAJORITY VOTING, WHICH COULD END UP WITH A NON-VIABLE ORGANIZATION. U.S. HOPED ISSUE WOULD NOT COME TO VOTE BUT RECOGNIZED IT WAS BELGIAN DECISION WHETHER TO FORCE IT TO A VOTE. LIST REVIEW WOULD SEEM BEST VEHICLE TO RESOLVE SUBSTANTIVE PROBLEMS. BUT U.S. WOULD NOT HESITATE TO MAKE ITS VIEWS KNOWN DECEMBER 13. IT WAS PUZZLING WHY MOST OTHER COCOM MEMBERS DID NOT SEEM TO TAKE SECURITY CONCERNS INTO CONSIDERATION. MASSA SUGGESTED U.S. MIGHT

WISH TO ASK IF PARTNERS ACCEPTED BASICS OF COCOM. DEPARTMENT REPLIED THAT DID NOT SEEM TO BE NECESSARY.

7. NETHERLANDS RESPONSE (PATIJN): NOT FAMILIAR WITH BELGIAN PROPOSAL. SINCE DUTCH ECONOMY WAS HAVING MEAGER RESULTS, NETHERLANDS MIGHT BE TEMPTED BY AUTOMATICITY BUT ALSO MINDFUL OF SECURITY FACTORS.

8. GERMAN RESPONSE (ROMBACH): NOT FAMILIAR WITH BELGIAN PROPOSAL. EVEN AFTER DEPARTMENT INFORMED HIM THAT FRG REP HAD SUPPORTED PROPOSAL IN OCTOBER HE EMPHASIZED HIS VIEW THAT COCOM COULD NOT BE VIABLE ON BASIS OTHER THAN CONSENSUS. U.S. PERFORMANCE HAD NECESSITATED OCCASIONAL VISITS TO STATE AND COMMERCE; BUT U.S. KNOWS WHAT IS GOING CONFIDENTIAL

PAGE 07 STATE 292162

ON. ALTHOUGH FRG "SOMETIMES COMES UP WITH CLEAR LANGUAGE," U.S. PROPERLY EXPRESSES SECURITY CONCERN. BASIC PROBLEM IS THAT TECHNOLOGY DEVELOPS TOO FAST FOR COCOM TO CATCH UP WITH IT.

9. CANADIAN RESPONSE (HALLIDAY): NOT FAMILIAR WITH BELGIAN PROPOSAL. WOULD BE USEFUL FOR U.S. TO SHARE WITH OTHER COCOM GOVERNMENTS CURRENT U.S. THINKING ON "CRITICAL TECHNOLOGIES," ESPECIALLY BEFORE FIRM DECISIONS ARE MADE. IN REVIEWING DOD INTERIM POLICY STATEMENT U.S. SHOULD BEAR IN MIND THE LINK BETWEEN WEST-WEST TECHNOLOGY TRANSFER AND NATO EXERCISES ON STANDARDIZATION AND INTEROPERABILITY. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 22-Sep-1999 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, STRATEGIC TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE292162
Document Source: ADS
Document Unique ID: 00
Drafter: EB/ITP/EWT/MAROOT:TLW
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Expiration:
Film Number: D770456-0689
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197712111/baaaeupd.tel
Line Count: 251
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: 3ff45dfc-c188-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 119250
Secure: OPEN
Status: NATIVE
Subject: BELGIAN PROPOSAL FOR COCOM OBSOLESCENCE CRITERION
TAGS: ESTC, US, COCOM
To: BONN BRUSSELS MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/3ff45dfc-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009